

December 18, 2009

Maine Milk Commission Meeting Minutes
Deering Building, Room 233
Augusta, Maine 04333

Notices for the December 18, 2009 meeting were distributed to Commission members, intervenors and other interested parties November 20, 2009 and sent to the Secretary of State's Office for posting on November 23, 2009.

Commission Present: Colon Durrell, Richard Cook, John Joseph, Mark Hedrich, *ex-officio* and Chairman Michael Wiers.

Commission Absent: None

Department Officials: None

Staff Present: Tim Drake, Executive Director and Carol Gauthier, Office Associate

Legal Counsel: Not present

Intervenors Present: John Blake, H.P. Hood, Inc., Thomas Brigham, Oakhurst Dairy, Dale Cole, President of the Maine Dairy Industry Association (MDIA) and Julie-Marie Bickford, Executive Director of MDIA.

Others Present: Bob Wellington of Agri-Mark, Clayton Davis of DFA and Mary Frank, public attendee.

Chair Weirs called the meeting to order at 1:40 p.m.

Agenda Item 1: Minutes: John Joseph made a motion to accept the minutes of the November 20, 2009 meeting. Richard Cook seconded. Motion passed 4-0.

Agenda Item 2: Amy Mills, Assistant Attorney General: None.

Agenda Item 3: Minimum Prices:

Tim Drake reported that there is a prevailing premium of \$1.10/cwt on Class I for January 2010 reported by Dairy Marketing Services (DMS) and Agri-Mark Cooperative. In addition to this premium, both Agri-Mark and DMS reported that an additional \$0.43/cwt for milk that comes from producers who do not treat their cows with the rBST hormone will be in affect. Federal Order One Class I price for December is \$18.28. He explained that a schedule was prepared using this information plus a producer cost of production adjustment (COPA) of \$1.58/cwt. He stated that this price schedule was for information purposes and that the Commission was not bound to it, and should make their pricing determination after hearing testimony.

Chairman Weirs asked for testimony from the interveners.

Julie-Marie Bickford of MDIA noted that the price increases were good news but noted that these increases were not enough or quick enough for producers. She also noted that any legislation to change the "tier program" would have to be passed and signed by February 1, 2010 to affect FY10. Ms. Bickford also informed the Commission that the USDA would be issuing DELAP payments to dairy farmers this month, they should amount to \$0.32/CWT for one years' production. MDIA asked that the current producer margin of \$1.58 be kept in place for January 2010.

Bob Wellington stated that the market is strengthening but that some strange things are happening with the potential of greater increases to come but that some price differentials needed to be corrected before that will happen. He will publish a new price forecast later this month.

Dale Cole stated that some farms lost \$100,000 last year and wondered if \$17 milk would help them recover from that.

Bob Wellington replied that it would not help recover from those losses. He also stated that until the Federal pricing system is corrected the wild price fluctuations of the past will continue. Mr. Wellington then went on to explain international markets and their implications.

John Joseph stated that he believed that the Federal pricing system was not designed to deal with the international markets.

Bob Wellington agreed.

Tom Brigham reminded the Commission that the \$1.58 producer margin was not permanent but thought that it could stay at that level for another month.

John Blake stated that he did not believe now was the time to drop the producer margin.

No other testimony was offered.

John Joseph made a motion to accept order 01-10 as prepared with a producer margin of \$1.58/cwt. Richard Cook seconded this motion. The motion passed 4-0

Agenda Item 4: Maine Monthly Price Survey: The Commission reviewed the Maine price survey for December 2009 which included prices for Augusta, Bangor/Brewer, Palmyra, Auburn and Brunswick. Price surveys for IAMCA were unavailable.

Agenda Item 5: Next Scheduled Meetings:

- January 12, 2010, Tuesday 10:00 a.m.
Agricultural Trades Show at the Augusta Civic Center
- January 22, 2010, Friday 1:30 p.m.
Room 233, Department of Agriculture, Food & Rural Resources, Augusta ME
- February 19, 2010, Friday 1:30 p.m.
Room 233, Department of Agriculture, Food & Rural Resources, Augusta ME
- March 19, 2010, Friday 1:30 p.m.
Room 233, Department of Agriculture, Food & Rural Resources, Augusta ME
- April 23, 2010, Friday 1:30 p.m.
Room 233, Department of Agriculture, Food & Rural Resources, Augusta ME

Agenda Item 6: Other:

1. **Milk Commission Budget:** The Commission reviewed the latest budget summary and Tim Drake updated his lack of progress in getting a new dairy database built.

2. **Valio USA promotion violation:** Tim Drake informed the Commission that he and AAG Mills had drafted a consent agreement for Valio and it had been sent for their consideration. No reply has been received yet.
3. **Task Force update:** Tim Drake supplied the Commission with copies of the final report of the Dairy Task Force.

Agenda Item 7: Executive Session: The Commission did not go into Executive Session.

Adjourned: Adjourned at 2:40 p.m. December 18, 2009.

Tim Drake, Maine Milk Commission